

President Truman,  
White House,  
Washington, D. C.

Dear Mr. President: You have done a fine job and I have every confidence that under your able leadership we will be able to solve the many and perplexing problems confronting <sup>our</sup> ~~the~~ nation.

However, regretfully, I cannot concur in your statement that General Motors or any other corporation should be required to submit its books in a wage negotiation.

As a matter of fact, the financial ~~statements~~ statements of General Motors and all other corporations are published annually both in the newspapers and in pamphlet form for the information of stockholders and the general public. Furthermore, the books of all corporations are open at all times for inspection by representatives of the Bureau of Internal Revenue.

To require a corporation to open its books in a wage negotiation would be to place such corporation at the mercy of its competitors, creditors, debtors and others. Since ~~unions~~ unions do not share in losses, there is no justification for a wage demand being based on profits. To permit union representatives to examine the company's books would serve no useful purpose beyond satisfying idle ~~ex~~ curiosity.

It also must be recognized that giving unions, and hence the public, access to a company's books is not compatible with business custom, and that it is ~~neither~~ neither fair nor just. For a company to reveal its profits or its losses to its competitors is to place its enterprise in peril.

There is no question but what the automobile workers are entitled to an increase in wages, but such increase should be based on living costs, ~~total~~ total take home pay, and not on the mere ability of the employer to pay. Just as you said in a previous statement, while labor is entitled to an increase in pay, it should be reasonable in its

demands and not expect to retain in peacetime all the wages received through increases in basic rates and overtime, due to the necessity for war production regardless of cost.

Industry, it should be remembered, must not only sell its products in a competitive market, but it has to keep its prices within range of the ability and the willingness of the people to pay.

It is evident ~~xx~~ from numerous statements of automobile union leaders that they are ~~xxxxxxxx~~ principally ~~xxxxxx~~ concerned in the current dispute about matters other than wage increases. They want to take into account financial reserves, production, retail prices, anticipated profits and the question of how such profits shall be distributed. That is not collective bargaining; it is collective management. Opening of a corporation's books and permitting such factors to be taken into consideration in wage negotiations would be taking from the owners of a business their right to manage it. In my opinion, this is what General Motors is resisting more than the wage increase sought, and the stand the corporation has taken is justified by all the principles of sound business management.

This nation, as you know as well or perhaps better than I, has been built by individual savings and by business and industry plowing back into the business a substantial portion of each year's earnings. This policy now only has made it possible for American business to weather economic ~~xx~~ storms which might otherwise have wrecked them and thrown their employees out of work, but it has enabled business and industry to expand and thus provide more and more jobs for those who need them.

This policy also has made it possible for industry to make better and better products at constantly lowered prices. Motor cars, for instance, have been brought within the purchasing power of the average

wage earner through scientific development and improved production methods financed out of profits. The same is true of numerous other products. This policy has given our nation the highest living standard in the world.

If profits earned and ability to pay are to be ~~the~~ taken into account in wage negotiations, what is to prevent labor from demanding --and receiving--all the earnings above a meager return for stockholders? And, in that eventuality, how is plant replacement, research, development and expansion to be financed? If all profits earned above a meager return to stockholders are paid out in wages and salaries, it is a foregone conclusion that all business and industry will suffer, the progress of the nation will be retarded, and even the employes themselves will be injured in the long run.

There also is an interest involved in this situation which is more important than that of industry and labor, and that is the interest of the public, an interest that too frequently is entirely overlooked. I was delighted to see you remind the Labor-Management Conference of this fact. However, I do not believe the labor problem will be solved until the Wagner Act is amended so as to make labor and management equally responsible.

A contract that is not a fair contract to both parties is not a good contract, no matter what its terms, and present labor contracts are one-horse and one-rabbit affairs, with management having the rabbit end. I say these things as an employer who has had forty years of satisfactory dealings with organized labor and as a supporter, personally and through our editorial columns, of collective bargaining, social security, and numerous other so-called New Deal measures, as well as a believer in as good wages as business and industry can afford to pay, and good treatment for all employes.

My sincerest good wishes to you and the members of your family for a happy Christmas and the greatest measure of health, happiness and success in the New Year and the years to come.

Sincerely,

Amon Carter.

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